

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	72824	Agenda Number	67.
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Meeting Date:	8/3/2017	Department:	Neighborhood Housing and Community Development
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Subject

Set a public hearing for an application to be submitted to the Texas Department of Housing and Community Affairs by LDG Manchaca Commons, LP, or an affiliated entity, for the new construction of an affordable multi-family development to be located at 12040 Manchaca Road. (Suggested date and time: August 10, 2017, beginning at 4:00 p.m. at Austin City Hall, 301 W. Second Street, Austin, TX 78701.)

Amount and Source of Funding

No funding from the City of Austin or the Austin Housing Finance Corporation is being requested.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Rosie Truelove, NHCD Interim Director, 512-974-3064; David Potter, Program Manager, 512-974-3192.
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

This action will set a public hearing to receive public comment to consider approval of a resolution as required by the Texas Department of Housing and Community Affairs (TDHCA) 2017 Uniform Multi-family Rules. The applicant must submit to TDHCA a resolution of no objection from the applicable governing body in which the proposed development is located.

The property is located in the Extraterritorial Jurisdiction (ETJ) of the City of Austin, and TDHCA rules require the developer to obtain resolutions from both city and county governments. The Travis County Commissioner's Court approved the request unanimously on May 16, 2017, and a copy of the meeting minutes for the Travis County agenda item is included in backup.

Proposed Project

LDG Manchaca Commons, LP, is planning to construct a 240-unit (approximate) multi-family development located at 12040 Manchaca Road, which would be 100% affordable to households with incomes at or below 60% Median Family Income (MFI), currently \$48,840 for a 4-person household. The development, to be known as the Manchaca Commons Apartments, is proposed to be partially funded with 4% Low Income Housing Tax Credits and Private Activity Bonds issued by Strategic Housing Finance Corporation, an affiliate of the Housing Authority of Travis County. No funding from the Austin Housing Finance Corporation is being requested.

Estimated Sources of Funds

Sources:

Private Activity Bonds	\$ 26,086,000
Tax Credit Equity	10,544,075
Other Financing	3,000,000
Deferred Developer Fee	<u>3,325,985</u>
Total	\$ 42,956,060

Uses:

Acquisition Costs	\$ 2,489,795
Hard Costs	28,409,243
Soft and Financing Costs	6,016,717
Reserves and Developer Fee	<u>6,040,305</u>
Total	\$ 42,956,060

Project Characteristics

- 24 one-bedroom/one-bath units (approximately 850 square feet, approximate rent \$730 to \$876).
- 108 two-bedroom/one-bath units (approximately 1,051 square feet, approximate rent \$1,051).
- 108 three-bedroom/two-bath units (approximately 1,185 square feet, approximate rent \$1,011 to \$1,214).

Population Served

- 98% of units will be reserved for individuals or families with incomes at or below 60% MFI, currently \$34,200 for a single-person household and \$48,840 for a 4-person household.
- 2% of units will be reserved for individuals or families with incomes at or below 50% MFI, currently \$28,500 for a single-person household and \$40,700 for a 4-person household.

Current Property Tax Status and Future Impact

The property currently has no tax exemptions according to the Travis Central Appraisal District (TCAD). TCAD will determine whether the residential use of this property will be eligible for any exemptions after the property is constructed.

LDG Development

LDG Development is a multi-family housing developer based in Louisville, Kentucky, with offices in Austin, and has a focus on affordable housing. LDG has developed over 4,000 units and numerous commercial properties in 12 states, including Kentucky, Indiana, Louisiana, Texas, and Kansas.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Application here:

<http://austintexas.gov/page/fy-16-17-funding-applications>.